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SECURITY INFORMATION

EIC-M-9
13 December 1951
CIA #430954

ECONOMIC INTELLIGENCE COMMITTEE

Minutes of Meeting held in
Room 2101, Temporary "E" Building
26th and Constitution Avenue, N.W.

6 December 1951

PRESENT:

Dr. Max F. Millikan, CIA, Chairman
Mr. Edward Doherty, State
Mr. Howard Wiedemann, State
Mr. John Kullgren, Army
Lt. Colonel Byron Cowart, Army
Cdr. Donald C. Deane, Navy
Lt. G. C. Stock, Navy
Dr. Joseph Coker, Air Force
Mr. John Easton, JCS
Mr. Fred Rossiter, Agriculture
Mr. Emil E. Schnellbacher, Commerce
Mr. William J. Welk, ECA
Mr. Joseph C. McCaskill, Interior
Mr. P. L. Brokaw, Interior
Dr. Edward I. Mullins, Munitions Board
[REDACTED], CIA, Secretary

APPROVAL OF MINUTES

1. Action: The minutes of the Economic Intelligence Committee meeting of 27 November 1951 (EIC-M-8) were approved.

NEW MEETING TIME

2. Action: It was agreed that meetings of the Economic Intelligence Committee will normally be held on Thursdays at 1345 hours. An attempt will be made to adjourn each meeting by 1530 hours.

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3. Discussion: Lt. Colonel Cowart, Army, reviewed the activities of the Transportation Subcommittee. He pointed out that the Transportation Subcommittee has a good point of departure for a study of intelligence gaps in the Chapters III of the NIS. Further benefits derived from past work on the NIS are the working relationships established with other agencies and the knowledge of what types of information are available and where it is to be found. This subcommittee has gone through its organizational phase and is now working on such matters as the preparation of travel folders for guidance in the collection of data by US personnel traveling in the Soviet Bloc. A sub-group has been established to study the merchant shipping problem and to make a report to the EIC on the coverage presently available on this subject and the inadequacies which exist.

PROPOSAL FOR A STUDY ON THE SOVIET BLOC MERCHANT FLEET

4. Action: The EIC members agreed: (a) that it would be desirable to have available in the intelligence community, a coordinated statement of information on the Soviet Bloc Merchant Fleet and the Impact on Western Europe of Controls on the Sale and Chartering of Merchant Ships to the Soviet Bloc and (b) that the Transportation Subcommittee should be requested to examine available studies and data on these subjects and to make recommendations to the EIC as to form the study could take and available sources of information which could be used.

5. Discussion: Mr. Doherty, State, discussed the need for a study on the Soviet Bloc Merchant Fleet to provide support for the US Government position in COCOM that merchant shipping is a strategic item and should be controlled by (1) placing the sale of certain types of merchant ships on the International Control List; (2) controlling the servicing, bunkering, and repair of Soviet Bloc merchant vessels; (3) controlling the chartering of merchant ships by COCOM countries to Soviet Bloc countries; and (4) preventing the carrying of List I and II items in excess of limits by ships flying flags of COCOM countries.

6. An outline for the study was distributed in two parts. The first was designed to show the impact of merchant shipping controls on the Soviet Bloc. The second dealt with the impact of these controls on Western Europe. Mr. Doherty explained that the second portion of the study would have somewhat lower priority than the first, but that it would be most helpful if the two parts could be done concurrently.

Exempt from EIC Review on The Intelligence and Preparation of Projects by EIC Subcommittees
USE OF THE EIC SUBCOMMITTEES FOR VARIOUS INTERAGENCY PROJECTS (EIC-A-9, 13 Dec 1951)

7. Action: The members agreed that subcommittees are not appropriate bodies to undertake production responsibility for research studies with

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short deadlines. The subcommittee machinery may be employed on such studies, however, to provide information as to the extent and location of available raw data and intelligence studies and to elicit professional judgements on the proposed projects including informal review of preliminary drafts. CIA indicated its willingness to assist in arranging for such studies as a service of common concern.

8. In considering research projects which do not have a short deadline, the EIC agreed that such studies may be taken up for discussion by the subcommittees but that the subcommittees do not have authority to actually produce these projects without approval from the EIC. It is appropriate, however, for the subcommittees to discuss the importance of particular research studies, the feasibility of undertaking them through the facilities of the subcommittee, and the extent and location of available material on the subject. On the basis of such discussions, recommendations including terms of reference and statements of the capabilities of the respective agencies for contributing to the project should be submitted to the EIC.

9. It was also agreed that before any subcommittee begins work on such a research project, final approval on terms of reference and allocation of production responsibility must come from the EIC.

10. The Committee members agreed that established liaison channels outside the EIC framework are still available to funnel requests for special projects from one agency to another. In those instances where the requesting agency has no channel to the producing agency or where the requesting agency does not know which agency is best equipped to do the project the requesting agency may go either to CIA or to the appropriate subcommittee for advice.

11. Discussion: The question was raised as to whether the best procedure for initiating a research study similar to that proposed by State (paragraphs 4,5,6) is to launch a National Intelligence Estimate. There followed some discussion of the difference between an EIC project such as the JIG study on the Economic Capabilities for War of the USSR and the Eastern European Satellites and a National Intelligence Estimate. It was pointed out by CIA that there was a need for coordinated research studies which would differ from the National Intelligence Estimates in at least two important respects: (a) EIC projects would be primarily factual, supplying for any interested user the best available agreed data and information on a topic. The purpose of such projects would not be primarily to present finished conclusions in brief form for the use of high policy officials, but rather to provide basic data for the use of analysts

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preparing future studies, for estimators, for officials engaged in activities of an operational nature, and for policy makers requiring more factual material than a National Estimate contains. (b) These projects would be carefully documented, indicating sources and in some cases the analytic methods, and would evaluate the adequacy and limitations of the data.

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Secretary

Economic Intelligence Committee

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